

December 12, 2024

VIA CM/ECF

The Honorable Julien Xavier Neals
United States District Judge
District of New Jersey
MLK Jr. Federal Building & U.S. Courthouse
50 Walnut Street
Newark, NJ 07102

Re: *Federal Trade Commission v. TheFBAMachine Inc. et al.*,
Civ. No. 24-06635 (JXN) (LDW)

Dear Judge Neals,

Plaintiff FTC is submitting this letter as an interim status update related to the FTC's application for contempt (ECF No. 65) and the contempt hearing held on November 21, 2024. It has come to the FTC's attention that Defendant Rozenfeld maintained a Capital One account in the name of Corporate Defendant FBA Support NJ Corp ("the Account"). The Account had over \$69,000 in it on June 1 of this year. The Court entered a temporary restraining order ("TRO") on June 3, which contained an asset freeze provision (ECF No. 5, Section III). Defendant Rozenfeld was served with the TRO on June 5. This TRO was in effect continuously until the August 8 entry of this Court's preliminary injunction, which also contains the asset freeze provision (ECF No. 54, Section III). Between June 5 and June 20, Defendant Rozenfeld made 12 separate withdrawals from the Account, each of which was in direct violation of the asset freeze provision. Without seeking leave of the court to withdraw money for attorney's fees, Defendant Rozenfeld withdrew \$10,000 and made two payments, each to Usher Law. In addition, Defendant Rozenfeld made several cash withdrawals of between \$1,000 and \$2,000, two large payments to AmEx totaling nearly \$43,000, and two Capital One card payments totaling over \$5,000. Defendant Rozenfeld also attempted to make a \$54,500 wire transfer to a Chase bank account, but this was reversed. By July 1, Defendant Rozenfeld drained all funds from the Account.

This information was not known to the FTC at the time it filed its motion for contempt or at the subsequent hearings. The FTC notified counsel for the Defendants and the Receiver as soon as the FTC learned of these TRO violations.

Sincerely,

/s/ Colleen Robbins

Frances Kern
Colleen Robbins
Counsel for Plaintiff